

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 SAJ-01 OMB-01 EB-07 TRSE-00 AGR-05

SIL-01 LAB-04 /097 W

----- 085857

R 130706Z JAN 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHCC 8706

INFO AMEMBASSY BANGKOK

USMISSION NATO

AMEMBASSY CANBERRA

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

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AMEMBASSY TOKYO

CINCPAC HONOLULU HI

FBIS OKINAWA

AMEMBASSY BUCHAREST

AMEMBASSY DACCA

AMEMBASSY JAKARTA

AMEMBASSY KATHMANDU

AMEMBASSY KUALA LUMPUR

AMEMBASSY SEOUL

AMEMBASSY WELLINGTON

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CINCPAC FOR POLAD

E.O.11652: GDS

TAGS: PINT CH

SUBJ: YEAR-END INTERNAL POLITICAL ASSESSMENT: PREMIER CHOU
PASSES FROM THE SCENE

SUMMARY : PREMIER CHOU EN-LAI, WHO PUT HIS PERSONAL STAMP ON CHINA'S DOMSTIC AND INTERNATIONAL POLITICS FROM THE VERY BEGINNING OF THE PRC AND WHO STARTED OFF 1975 CALLING FOR THE BUILDING OF CHINA IN TO A "POWERFUL MODERN SOCIALIST" STATE, NOW A YEAR LATER, HAS PASSED FROM THE SCENE. THE ABSENCE OF HIS DEFT HAND IN SMOOTHING OVER DIFFERENCES AND TRANS-LATING THE CONFLICTING EMPHASSES OF REVOLUTION AND PRODUCTION INTO A MANAGEABLE GOVERNEME PROGRAM WILL MAKE THE TASK OF HIS SUCCESSORS ALL THE MORE DIFFICULT. BUT THE CAREFUL ORCHESTRATION OF THE SUCCESSION DURING THE LONG PERIOD OF HIS ILLNESS SHOULD MAKE FOR A REASONABLY STABLE LEADERSHIP PICTURE IN CHINA FOR THE COMING MONTHS. END SUMMARY

1. PREMIER CHOU EN-LAI'S DEATH ON JANUARY 8 CAME ONE YEAR TO THE DAY FROM THE CONVENING OF THE SECOND PLENUM OF THE TENTH PARTY CONGRESS. IT WAS, IN MANY WAYS, A WATERSHED YEAR FOR THE PRC. THE NATIONAL PEOPLE'S CONGRESS WHICH FOLLOWED ON THE HEELS OF THE SECOND PLENUM FORMALIZED A NEW LEADERSHIP STRUCTURE TO TAKE CHINA INTO THE SUCCESSION PERIOD, PRODUCED A NEW CONSTITUTION FOR THE COUNTY, AND SPELLED OUT THE PRC'S ECONOMIC DEVELOPMENT GOAL OF BUILDING CHINA INTO A "POWERFUL MODERN SOCIALIST" STATE BY THE END OF THE CENTURY. PARTLY DESIGNED TO MEET 1975'S END-OF-THE FOURTH-FIVE-YEAR PLAN TARGETS AND AT THE SAME TIME TO SET THE TONE FOR 1976'S "LEAP" INTO THE FIRST STAGE OF "MODERNIZATION", POLICIES REFLECTED A HEALTHY DOSE OF PRAGMATISM AND FLEXIBILITY. PRODUCTION/CONSTRUCTION EMPHASIS, ALTHOUGH TEMPERED BY IDEOLOGICAL CONCERNs, REMAINED KEY WITH THE REGIME'S FLEXIBILITY CLEAREST IN ITS INSISTENCE THAT SOME "BOURGEOIS RIGHTS" -- INCLUDING CONSTITUTIONALLY-GUARANTEED PRIVATE PLOTS AND "UNEQUAL" WAGES-- WOULD STILL BE ALLOWED TO EXIST, ALTHOUGH VAGUELY "RESTRICTED", IN SOCIALIST SOCIETY.

2. IDEOLOGICALLY, PEKING USED STUDY OF THE DICTATORSHIP OF CONFIDENTIAL

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THE PROLETARIAT TO REINFORMCE REGIME ATTENTION TO DISCIPLINE AND HARD WORK. CHAIRMAN MAO'S "THREE IMPORTANT DIRECTIVES" BECAME THE WORKING PRINCIPLES OF ACTION. THIS PUT " STABILITY AND UNITY" AND DEVELOPMENT OF THE NATIONAL ECONOMY UP ALONGSIDE THE DICTATORSHIP STUDY CAMPAIGN AND GAVE THE REGIME GREATER FLEXIBILITY TO MAKE ADJUSTMENTS IN ITS POLICIES. OTHER WATCHWORDS WHICH SET THE TONE FOR THE YEAR WERE KEYED TO CHAIRMAN MAO'S COMMANDMENTS FOR THE FUTURE: "PRACTICE

MARXISM, NOT REVISIONISM; UNITE AND DON'T SPLIT; BE OPEN AND ABOVEBOARD AND DON'T INTRIGUE AND CONSPIRE". THE LAST QUARTER OF THE YEAR ALSO SAW CHINA EMBARK ON A ACAMPAIGN TO EMULATE AGRICULTURAL MODEL TACHAI ANBD BEGIN THE FIRST STEP OF AGRICULTURAL MODERNIZATION/ MECHANIZATION--- A MOVE PEKING BILLED AS EQUIVALENT IN IMPORTANCE TO THE ESTABLISHMENT OF COMMUNES AND SOCIALIST AGRICULTURE.

3. REINFENCING DISCIPLINE, PEKING ISSUED NO -NONSENSE INSTRUCTIONS TO PERENNIAL TROUBLESPOTS AND CLEARED UP SOME OUTSTANDING PROBLEMS. WHERE THE TROUBLES DID NOT CALM DOWN,

PEKING SENT TROOPS AND, IN THE CASE OF CHEKIANG, RESHUFFLED THE PROVINCIAL LEADERSHIP AND ALSO THE PLA LEADERS STATIONED THERE, WHO HAD BEEN THEMSELVES INVOLVED IN THE FACTIONALISM. WHERE THERE WERE GENUINE LABOR GRIEVANCES DUE TO WAGE DISCREPENCIES, HOWEVER, PEKING AGAIN POSTPONED ITS ACTIONS AND LEFT

POTENTIAL FOR FURTHER DISSENSION INTACT.

THE REGIME CONCENTRATED ON FILLING GAPS IN THE LEADERSHIP STRUCTURE AND BROUGHT TOP-LEVEL VACANCIES IN THE PROVINCES TO THEIR LOWEST LEVEL SINCE 1973. AT THE SAME TIME, IN A MOVE SIMILAR TO THE SHIFT OF MILITARY REGION COMMANDERS IN 1973, A LARGE NUMBER OF MILITARY DISTRICT COMMANDERS WERE SHIFTED , BUT EVEN MORE IMPORTANTLY , THE REGIME CONTINUED TO REINSERT REHABILITATED CULTURAL REVOLUTION VICTIMS BACK IN TO THE LEADERSHIP STRUCTURE. AT PRESENT, IT IS THIS GROUP WHICH HAS THE MAJOR VOICE IN CARRYING OUT REGIME POLICIES.

4. LEADING THE RANKS OF THE RAHBILITEES WAS, OF COURSE TENG HSIAO-PING WHO, WITH THE PASSING OF PREMIER CHOU EN-LAI, WILL FORMALLY BECOME HEAD OF CHINA'S GOVERNMENTAL STRUCTURE. DURING THE YEAR TENG'S POSITION CONTINUED TO STRENGTHEN AND A STYLE ASSOCIATED WITH HIM BECAME DISTINGUISH-
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ABLE. FROM PERMIER CHOU'S OBITUARY , WE NOW KNOW THAT THE NATURE OF THE PREMIER'S ILLNESS WAS KNOWN AT LEAST BY 1972, AND THIS SUGGESTS THAT CERTAIN PAST EVENTS--- PARTICULARLY THE 1973 REHABILITATION OF TENG HSIAO-PING--- SHOULD BE RE-READ AS AN INTERGAL PART OF THE CHINESE EFFORT TO PREPARE FOR CHOU'S PASSING FROM THE SCENE. ON THE PRESUMPTION THAT TENG WAS INDEED REHABILITATED AS THE ACCEPTED SUCCESSOR- DESIGNATE ALMOST THREE YEARS AGO, THAT INTERM PERIOD MUST BE REGARDED AS OPERATING WITH GREATER OVERALL LEADERSHIP CONSENSUS THAN HAS PREVIOUSLY BEEN ACKNOWLEDGED.

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SIL-01 LAB-04 /097 W

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R 130706Z JAN 76

FM AMCONSUL HONG KONG

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5. THE POST-MAO AND CHOU SUCCESSION TEAM WORKED OUT AT THE NPC SEEMS TO HAVE MOVED THROUGH THE YEAR WITH RELATIVELY LITTLE FRICTION. CONSENSUS ON MAJOR ISSUES PROBABLY STILL INVOLVED A GOOD DEAL OF DEBATE AND COMPROMISING IN ORDER TO REACH AGREEMENT, BUT THERE WERE NO SIGNS OF FALLOUT AMONG THE PARTICIPANTS, AND THE FREQUENT WRENCHES BETWEEN EMPHASIS ON IDEOLOGY AND PRODUCTION WERE ALL ACCOMPLISHED WITH INSISTENCE THAT THE PARTY CENTER WAS DIRECTING THINGS FROM THE TOP. THE ONE EXCEPTION TO THE GENERAL APPEARANCE OF UNITY AT THE TOP WAS THE ANOMALOUS APPEARANCE RECORD OF PARTY NUMBER THREE WANG HUNG-WEN WHO SPENT MUCH, IF NOT ALL, OF THE SECOND PART OF THE YEAR INVOLVED IN SHANGHAI AFFAIRS, PASSING UP SIGNIFICANT OPPORTUNITIES TO JOURNEY BACK TO PEKING TO APPEAR JOINTLY WITH OTHER POLITBURO FIGURES.

6. CONSENSUS AMONG THE LEADERS ON MAJOR ISSUES HAS SERVED TO GIVE CHINESE SOCIETY A MORE RELAXED AND MORE CONFIDENT APPEARANCE. ITS CONTACTS AND ACCESSIBILITY TO THE WEST HAVE EXPANDED--ALMOST IN DIRECT PROPORTION TO ITS HOSTILITY TOWARD THE SOVIETS--AND NEW CONTRACTS FOR PURCHASES OF PLANT, EQUIPMENT, AND TECHNOLOGY FROM THE WEST IN LIMITED WAYS HAVE FURTHER OPENED THE CHINESE DEVELOPMENT PROCESS TO THE OUTSIDE WORLD. NEVERTHELESS, AS THE YEAR ENDED WITH SOME RATHER STRONG DENUNCIATIONS OF ATTEMPTS TO "REVERSE THE VERDICT" ON CULTURAL REVOLUTION ACHIEVEMENTS AND NEW YEAR'S EDITORIAL ATTENTION TO THE PREEMINENT ROLE OF CLASS STRUGGLE, CHINA BEGAN TO TAKE ON, PRIMARILY IN ITS MEDIA, AN IMAGE OF IDEOLOGICAL MILITANCY. ALTHOUGH THIS TOO WAS PRESUMABLY THE RESULT OF DISCUSSION AMONG THE LEADERS AND AN AGREED EFFORT TO REVITALIZE REGIME IDEOLOGICAL GOALS, IT STILL HEIGHTENED EXTERNAL CONCERNS THAT CHINA HAD NOT TOTALLY ABANDONED DISRUPTIVE CAMPAIGNING. IN ADDITION, CONSENSUS WAS INSUFFICIENT OR FACTIONALISM STILL SUFFICIENTLY PREVALENT THAT PEKING WAS UNABLE TO REESTABLISH ITS NATIONAL-LEVEL MASS ORGANIZATIONS WHICH HAD BEEN PLANNED SINCE MARCH.

7. WITH CHOU'S PASSING THERE ARE NOW THREE VACANCIES IN THE NINE-MEMBER STANDING COMMITTEE OF THE POLITBURO. WE WOULD ANTICIPATE THAT THE THIRD PLENUM OF THE CENTRAL COMMITTEE WILL BE CONVENED AT AN EARLY DATE TO BE FOLLOWED BY A MEETING OF THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS.

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TENG WILL FORMALLY BE ELEVATED TO PREMIER AND VACANCIES FILLED ON THE PARTY SIDE, PRESUMABLY FROM CURRENT POLITBURO MEMBER RANKS. IN ADDITION TO PERSONNEL SHIFTS, THE NEW FIVE-YEAR PLAN UNDOUBTEDLY WILL BE DISCUSSED AND PRESUMABLY FORMALLY ADOPTED.

8. PEKING IS UNLIKELY TO ENGAGE IN POLICY EXPERIMENTATION AS THE SUCCESSION SCHEME TAKES ITS FIRST ACTUAL STEPS IN A TRUE POST-CHOU ATMOSPHERE. HOWEVER, CHINA WILL MISS CHOU'S ABILITY TO SMOOTH OVER DIFFERENCES AND TO BLEND CHINA'S INHERENTLY UNSTABLE IDEOLOGICAL AND PRODUCTION RELATIONSHIP INTO A MANAGEABLE BALANCE. MUCH WILL DEPEND ON TENG'S ABILITY TO MAINTAIN AND STRENGTHEN THE LEADERSHIP CONSENSUS AS WELL AS STRIKE A BALANCE BETWEEN IDEOLOGY AND PRAGMATISM.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SUMMARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976HONGK00428
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760013-0078
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760163/aaaacdxx.tel
Line Count: 287
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 20 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 APR 2004 by SmithRJ>; APPROVED <20 APR 2004 by GarlanWA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YEAR-END INTERNAL POLITICAL ASSESSMENT: PREMIER CHOU PASSES FROM THE SCENE
TAGS: PINT, CH, (CHOU EN-LAI)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006